IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO. 242 OF 1988.

The Commissioner of Income-tax. ... Applicant.

V/s.

General Insurance Corpn., Bombay. ... Respondent.

Ashok Kotangale i/b. K.C.Sidhwa
for the applicant.

N.R.Mody i/b. Rustamji & Ginwala
for the respondent.

CORAM : V.C.DAGA AND A.S.AGUIAR, JJ.

DATED : 28th June 2005.

P.C. :

. By this reference under section 256 of the Income-tax Act, 1961, the Income Tax Appellate Tribunal has referred the following question of law for the opinion of this Court:

1. Whether, on the facts and in the circumstances of the case, the Tribunal was justified in law in holding that the sum of Rs.3,50,,00,000/- being provision for redemption of preference shares was not liable to be added back to the total income of the assessee for the assessment year 1979-80?

. Learned counsel for the parties agreed that in view of the decision of the Apex Court in assessee's own case reported in (1999) 240 ITR 139 (**General Insurance Corporation v. C.I.T.**), question referred to us has to be answered in the affirmative i.e. in favour of the assessee and against the revenue. We answer the question accordingly.

. Reference stands disposed of with no order as to costs.

(A.S.AGUIAR, J.) **(V.C.DAGA, J.)**